SCHEDULE K-1

FORM N-35 (RFV, 2013)

STATE OF HAWAII — DEPARTMENT OF TAXATION

SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

For calendar year 2013 or tax year

	(ar your zoro or tak your			
		beginning,	2013 and ending	, 20		
		(NOTE: Prepare in triplicate. (1) File	e with N-35. (2) For S corp	o. (3) For shareholder.)		
Shareholder's identifying number ➤		Corporation's Federal identifying number (FEIN) ➤				
Shareholder's name, address, and Postal/ZIP code				Corporation's name, address, and Postal/ZIP code		
A	(1) Sharehold tax year end)	ler's percentage of stock ownership for tax y See Instr	vear ➤ % and ructions for Schedule K-1	(2) Number of shares o	wned by shareholder at	
В	Check applica	able boxes: (1) 🗌 Final K-1 (2) 🗌 Amende	ed K-1			
Ξ						
C	aution: Refer to	Shareholder's Instructions for Schedule K-	1 before entering information	ation from Schedule K-	1 on your tax return.	
(a) Pro rata share items			(b) Attributable to Hawaii	(c) Attributable Elsewhere	(d) Form N-11*/ N-15** filers enter the amounts in col. (b) and col. (c) on:	
	1 Ordinary income	(loss) from trade or business activities			<u> </u>	
	2 Net income (loss)	from rental real estate activities			See Shareholder's Instructions for Schedule K-1 (N-35).	
	3 Net income (loss)	from other rental activities				
	4 Interest				Interest Worksheet	
	5 Ordinary Dividend	ds			Line 9	
١.	6 Royalties				See Shareholder's Instructions.	
	7 Net short-term ca	pital gain (loss)			Capital Gain/Loss Worksheet	
	8 Net long-term cap	oital gain (loss)			Capital Gain/Loss Worksheet	
	9 Net section 1231	gain (loss)			Schedule D-1, line 2	
	10 Other income (los	ss) (attach schedule)			(Enter on applicable line of your return)	
_		outions			Worksheet A-4, PY-4, or NR-4	
	12 IRC section 179 e	expense deduction (attach schedule)			See Shareholder's Instructions.	
		d to portfolio income (loss) (attach schedule)			Worksheet A-6, PY-6, or NR-6	
3		(attach schedule)			(Enter on applicable line of your return)	
\exists		se on investment debts			Form N-158 line 1	

* For Form N-11 filers, if your federal Schedule K-1 (Form 1120S) and Hawaii Schedule K-1 (Form N-35) amounts are different, the necessary adjustments are to be made in the Hawaii Additions Worksheet and/or Hawaii Subtractions Worksheet in the Form N-11 Instructions. **For Form N-15 filers, the referenced worksheets are located in the Form N-15 Instructions.

Purpose of Schedule K-1 — The S corporation uses Schedule K-1 (Form N-35) to report to you your share of the corporation's income (reduced by any tax the corporation paid on the income), credits, deductions, etc. Please keep it for your records.

b (1) Investment income included on lines 4, 5, and 6 above......

(2) Investment expense included on line 13 above......

Although the corporation is subject to a built-in gains tax, an excess net passive income tax, and a LIFO recapture tax; you, the shareholder, are liable for the income tax on your share of the corporation's income, whether or not distributed, and you must include your share on your tax return.

Use these instructions to help you report the items shown on Schedule K-1 on your Hawaii income tax return. Where "(attach schedule)" appears on lines 10, 12, 13, 14, and 22a, it means the information for these lines (if applicable) will be shown on line 29, or if additional space was needed, the corporation will have attached a statement to your Schedule K-1 to show the information. The notation "(See

Instructions for Schedule K-1)" in item A is directed only to the corporation.

Schedule K-1 does not show the amount of actual dividend distributions the corporation paid to you. The corporation must report to you such amounts on Form 1099-DIV. Resident shareholders' actual dividend distributions are already included in federal adjusted gross income (federal AGI) for Form N-11 filers.

Schedule K-1 now provides you with information relating to the source of your share of the income of the S corporation. This is required under provisions of section 235-128, Hawaii Revised Statutes. How this income is reported by you to the State of Hawaii depends on your residency status. Shareholders who are Hawaii residents are to report the total sum of the income, deductions, and credits attributable to Hawaii and the income, deductions, and credits attributable elsewhere. Shareholders who are

not residents of Hawaii or who are part-year residents of Hawaii are to use amounts attributable to Hawaii and the total sum of amounts attributable to Hawaii and amounts attributable elsewhere in preparing their Hawaii income tax returns. Income attributable to Hawaii is reported by all shareholders net of adjustments allowed to corporations. The total of your share of these adjustments is shown on line 22a and are explained on line 29. Items of income or deductions should be reported on your return net of these adjustments. Resident shareholders may make an adjustment to income reported on their net income tax return for interest penalty on early withdrawal of savings, if a penalty was imposed on the early withdrawal of savings by the S corporation and the interest income is not attributable to Hawaii. The amount of this deduction appears on line 23.

See Shareholder's Instructions for Schedule K-1 (N-35).

16 a Fuel Tax Credit for Commercial Fishers	Form N-163 Form N-312, Part I Form N-756 Form N-586
Tax Credit c Amounts needed to claim the Enterprise Zone Tax Credit	Form N-756
Tax Credit c Amounts needed to claim the Enterprise Zone Tax Credit	Form N-756
c Amounts needed to claim the Enterprise Zone Tax Credit	
I W FRANKAII EUN INCOME FRANKAI IAA OTOUK	
e Credit for Employment of Vocational Rehabilitation Referrals	Form N-884
f Motion Picture, Digital Media, and Film Production Income	
Tax Credit	Form N-340
g High Technology Business Investment Tax Credit	Form N-318
	Form N-330
h Credit for School Repair and Maintenance	Form N-324
j Renewable Energy Technologies Income Tax Credit	Form N-342
k Important Agricultural Land Qualified Agricultural	
Cost Tax Credit	Form N-344
I Tax Credit for Research Activities	Form N-346
m Credit for Hawaii income tax withheld on Form N-288	1
n Credit for Hawaii income tax withheld on Form N-4	Con Charahaldar'a Instructions
(Nonresident shareholders only)	See Shareholder's Instructions for Schedule K-1 (Form N-35)
Pro rata share of net income tax paid by the S corporation to	ior concade it i (i omi i v co)
states which do not recognize the corporation's "S" status.]
(Resident and part-year resident shareholders only)	
17 Property distributions (including cash) other than dividend distributions	1
reported to you on federal Form 1099-DIV	
18 Tax exempt interest income	
g 19 Other tax exempt income	
20 Nondeductible expenses	See Shareholder's Instruction
19 Other tax exempt income	for Schedule K-1 (Form N-35
22 a Corporate adjustments to income attributable to nawali	
(attach schedule)	
b Personal adjustments to income attributable elsewhere	─ 丿
23 Interest penalty on early withdrawal of savings	
24 Recapture of Hawaii Low-Income Housing Tax Credit:	Form N-586, Part III
a From IRC section 42(j)(5) partnerships	Tomin-366, Fait in
b Other than on line 24a	Farm N. 040, Part II
25 Capital Goods Excise Tax Credit Properties	Form N-312, Part II
26 High Technology Business Investment Tax Credit	Form N-318, Part III
27 Recapture of Tax Credit for Flood Victims	Form N-338
28 Recapture of Important Agricultural Land Qualified Agricultural	Form N-344
Cost Tax Credit	
29 Supplemental information for lines 10, 12, 13, 14, 22a, or other items and amounts not included in lines 1 through 28 that are required to be	be reported separately to each shareholder
(attach additional schedules if more space is needed):	
ntio	
of I	
<u>=</u>	
Supplemental Information	
ซ 	